

**McKESSON**

**McKesson's Controlled Substance Monitoring Program  
Investigative Report**

**Date of Final Report:** July 5<sup>th</sup>, 2017

**By:** Nate Hartle, Sr. Director - Regulatory Affairs

**Report RE:** Rite Aid DD Adjustments

**Chain Name:** Rite Aid

**Customer's DEA Number (if applicable):** NA

**OVERVIEW:**

To adjust select base code thresholds downward using historical purchasing data, 10 base codes for Rite Aid were reviewed and threshold reductions were made on July 1<sup>st</sup>, 2017. Below are the base codes reviewed, the logic used and a summary of the changes. Additional information is located in the customer's R drive folder.

**Base Codes Reviewed:**

- Alprazolam (2882)
- Carisoprodol (8192)
- Hydrocodone (9193)
- Hydromorphone (9150)
- Methadone (9250)
- Morphine (9300)
- Oxycodone (9143)
- Oxymorphone (9652)
- Tramadol (9752)
- Fentanyl (9801)

**Review Logic:**

- 6 months of purchase data (Dec 16 to May 17) was reviewed.
- The top month of purchasing was identified, then a buffer (40%) and rounding (500) were used to establish a due diligence (DD) threshold.
- This newly calculated DD threshold was compared against the current threshold and the initial AGI calculation as two points of reference. **Note:** The AGI threshold was calculated using the current threshold setting model being implemented in the ISMC segment. These thresholds are being used as an additional comparison point to minimize unnecessary reductions prior to the official AGI implementation for large RNA chains.
- The final threshold amount was determined using the following criteria:
  - Only threshold reductions were included in the review.
  - The current threshold remained if it was less than the initial AGI calculation.
  - The new DD threshold was selected if it was less than the current threshold, but greater than the initial AGI calculated threshold.
  - The AGI calculated threshold was selected if it was less than the current threshold, but greater than the DD calculated threshold.
  - Threshold changes less than 500 doses were excluded.

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PLAINTIFFS TRIAL  
EXHIBIT  
**P-13212\_00001**

## Summary of Changes:

CSMP: Base Code Monitoring: Threshold Maintain			
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YATFI_DEA_THRESH	On-Line	McKesson	Page 1
ELYWNE6 PRD	CSMP: Base Code Monitoring: Threshold Mainta07/01/2017 02:43:15		
File Loaded: C:\Users\elywne6\Desktop\CSV Upload Folder\July 2017 Load Files\Rite Aid DD Adjustments_070117.csv			
Total Records Processed:		34,258	
Successfully Processed :		34,258	

BC Name	BC #	# DEA	Current Threshold Total	New Threshold Total	Total Change Amount	Average Change Amount
ALPRAZOLAM	2882	3,234	31,252,150	20,370,300	(10,881,850)	(3,365)
CARISOPRODOL	8192	4,084	22,760,700	8,786,500	(13,974,200)	(3,422)
FENTANYL	9801	4,549	22,750,500	4,557,000	(18,193,500)	(3,999)
HYDROCODONE	9193	1,857	22,300,480	20,234,500	(2,065,980)	(1,113)
HYDROMORPHONE	9150	4,516	22,282,500	6,605,700	(15,676,800)	(3,471)
METHADONE	9250	4,435	23,533,700	9,737,800	(13,795,900)	(3,111)
MORPHINE	9300	4,420	22,393,600	9,066,700	(13,326,900)	(3,015)
OXYCODONE	9143	2,330	25,313,100	19,245,200	(6,067,900)	(2,604)
OXYMORPHONE	9652	4,503	22,188,000	4,824,160	(17,363,840)	(3,856)
TRAMADOL	9752	330	3,676,500	3,084,500	(592,000)	(1,794)
<b>TOTAL</b>	<b>NA</b>	<b>34,258</b>	<b>218,451,230</b>	<b>106,512,360</b>	<b>(111,938,870)</b>	<b>(3,268)</b>

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